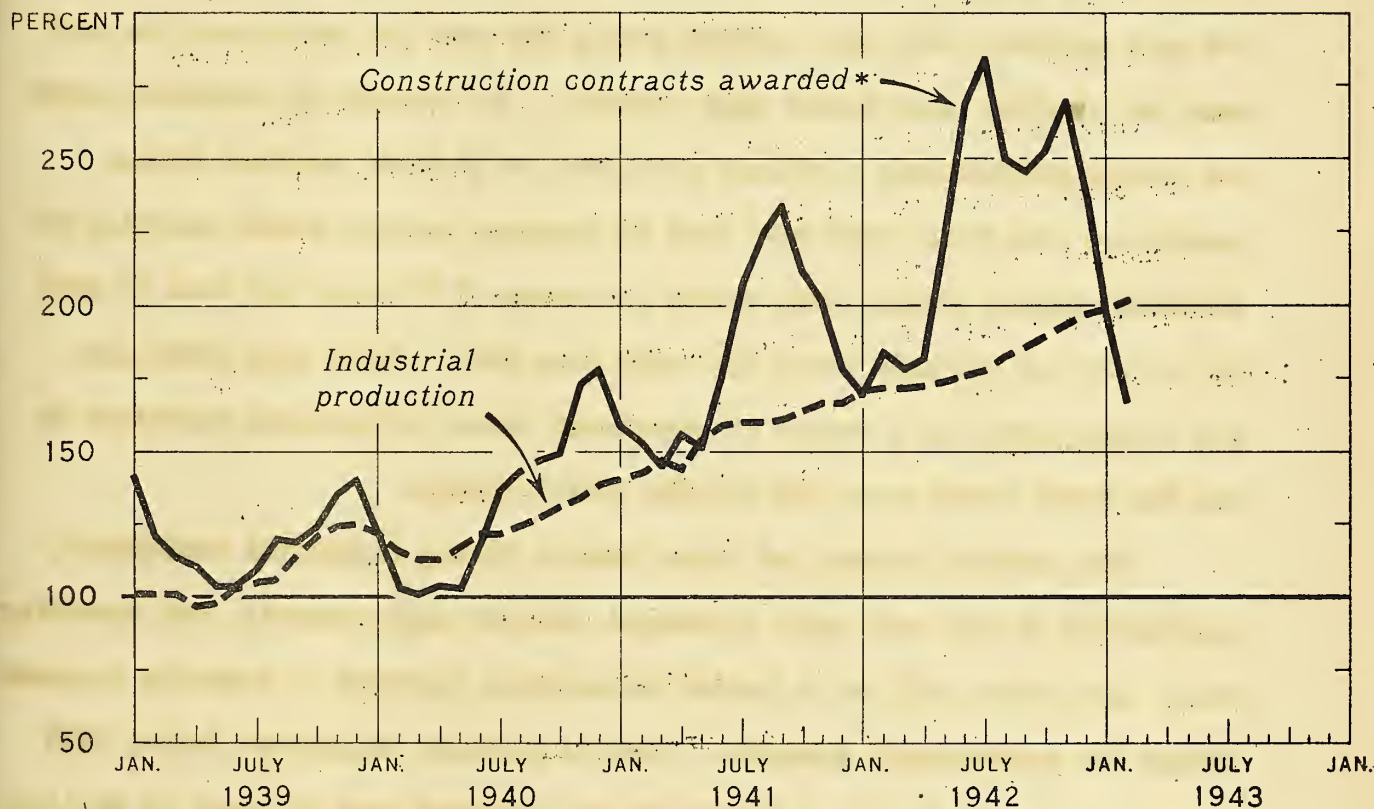


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VOLUME OF INDUSTRIAL PRODUCTION AND CONSTRUCTION, UNITED STATES, 1939-43

INDEX NUMBERS (1935-39=100) ADJUSTED FOR SEASONAL VARIATION



BASED ON DATA FROM BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

*ADJUSTED FOR CHANGES IN CONSTRUCTION COSTS BY USE OF ENGINEERING NEWS RECORD DATA

U. S. DEPARTMENT OF AGRICULTURE

NEG. 42925

BUREAU OF AGRICULTURAL ECONOMICS

The war-construction program which got under way soon after Pearl Harbor will approach completion by mid-1943. As construction declines, following the July 1943 peak in the index of contracts awarded, materials will be diverted to industrial products, particularly instruments of war, and labor to other essential occupations.

DEMAND

The upward trend in domestic consumer demand for farm products is expected to continue during the next few months. At current price levels such demand will remain generally in excess of the amount of agricultural products available to civilians.

Industrial production in January adjusted for seasonal variation was 200 percent of the 1935-39 average or 17 percent larger than a year earlier. Industrial employment (factory, railroad, and mining), which increased about the same percent, will rise further during the next few months and the work week may lengthen even faster than recently. In February an executive order was issued establishing a 48-hour work week in 32 labor shortage areas. Compliance with this order will tend to increase average hourly earnings of affected workers because time worked in excess of 40 hours per week is paid for at one and one-half times the basic wage rate. Basic wage rates also are rising slowly as a result of occasional upward adjustments permitted by the War Labor Board under the "Little Steel" formula.

The combined effects of these trends; rising industrial employment, lengthening of the work week, increased overtime wage payments, and ascending basic wage rates, will be a further substantial increase in domestic consumer demand for agricultural products. Also as military employment during 1943 rises from around 7 million 1/ towards the year-end goal of about 11 million, war needs for food will increase.

The executive order establishing a 48-hour work week in 32 areas was necessitated by growing shortages of available workers relative to industrial needs. Because of overtime wage payments, the employee who works 48 hours rather than 40 gets 30 percent more pay for the increase of 20 percent in

1/ The President's "State of the Union" message to Congress, January 7, 1943.

hours, or an average of 8-1/3 percent more per hour. There are, however, other factors entering into the increased hourly earnings of wage workers which during the past 2 years appear to have been of even greater importance than overtime payments. For instance, from January 1941 to December 1942 the average hourly earnings of factory workers increased 33 percent in the aggregate. During this period the average basic wage rate for specific jobs appears to have increased around 9 percent, and the factory worker who in December 1942 was working 44.4 hours per week (the average for all factory workers) was paid 5 percent more per hour than his basic wage rate. Shifting from lower to higher paid jobs and industries, therefore, probably was fully as important in the 33 percent rise in hourly earnings as changes in basic rates for specific jobs and overtime payments combined. During the next few months all these factors are expected to continue to contribute to a rise in the aggregate income of domestic consumers and the domestic consumer demand for farm products.

War production is the motivating force behind the current increases in industrial employment and pay rolls, and since only a portion of the resulting increase in pay rolls is taken by the Government through higher personal taxes, the money income available for consumer spending and savings is increased. War expenditures of the Federal Government and agencies in February were at an annual rate of 78 billion dollars and the cash deficit at the rate of around 64 billion dollars.

Last December the Treasury borrowed 13 billion dollars, in the first Victory Loan drive of the present war, and has announced that next month it intends to borrow as much as in December. A considerable portion will again come from the banks and, as the funds are spent in prosecution of the war, ordinary demand deposits will increase further. This increase will represent additional domestic buying power for farm and other products.

THE GENERAL PRICE LEVEL

Wholesale and retail commodity prices have edged upward in recent months. During this period Government price controls have been gradually shifted from a temporary toward a more nearly permanent basis, and many inequities under the temporary price ceilings eliminated.

Price rises in recent months have been greater for agricultural than for nonagricultural commodities. Advances in nonagricultural prices have been permitted by the Office of Price Administration because of changed conditions such as the increased cost of overland shipment of fuel, increased freight rates generally, additional Federal taxes levied on some commodities, higher wage costs incident to a longer work week in coal mining, and for many other reasons. In the case of agricultural commodities, the rises have been due in part to similar developments and in part to such factors as the absence of early price ceilings on many food commodities (at present over 95 percent of foods are subject to ceilings), correction of inequities imposed by temporary orders, and the need of price inducements to get added production sufficient for both war and civilian needs.

The rise in prices generally which has accompanied the development of the Office of Price Administration control program has been small, compared with what would have occurred without a program. This situation will also be true in the future. Canned foods is a case in point. Under the rations announced late last month, civilians will be allowed a little more than 13 million cases of canned foods a month for the next 19 months as against almost 30 million cases a month in 1941-42. With consumer income at record levels and still rising, there is little doubt but that canned goods prices would rise sharply in the absence of price controls. As it is, price ceilings and rationing will prevent large price increases.

The future course of commodity prices will not reflect to the usual extent the expected further rise in consumer income relative to available supplies of goods. Rather, as a result of price controls, consumers will find that an unusually large portion of their expanded incomes will be available for saving. After the war is over these large savings will be available for replenishing depleted stocks of consumer durable goods and other uses.

FARM INCOME AND PRICES

The index of prices received by farmers on February 15, was 178 percent of the 1910-14 average compared with 182 in January. The recession was largely due to a seasonal change in the kinds and volume of tobacco marketed and to a larger than usual decline in egg prices. Prices of fruits, truck crops, and meat animals rose considerably. On the basis of price changes in central markets, it is estimated that the general index of prices received by farmers rose between February 15 and March 15, and that they averaged 20 to 25 percent higher during the first quarter of 1943 than during the like period of 1942.

Farm income from marketings increased slightly in January, after allowance for seasonal factors, and in February probably showed about the usual seasonal decrease. February income from marketings of grains, dairy products, and meat animals probably was higher than in January, after allowance for the usual seasonal changes, but income from cotton, tobacco, poultry products, and possibly truck crops, probably was lower. Marketings of cotton were down more than usual from January, truck crop shipments were reduced by a freeze, and prices of eggs and tobacco fell more than average.

With prospective demand for most agricultural products in 1943 sufficient to absorb maximum possible production at ceiling prices, farmers can expect to receive about the same price for a large as for a small output. As a consequence, farm income in 1943 generally will be more dependent than usual upon the volume of marketings. There are a few exceptions to this

general situation, but in these instances farmers will be entitled to parity price payments on basic commodities if market prices stay below parity. As a result of the large demand for farm products for war and increased income of domestic consumers, the Department has been urging farmers to increase production of vital war products; more recently 1943 acreage restrictions have been waived for corn and wheat, and relaxed for cotton.

Corn producers, if they plant 90 percent of their 1943 goal for war crops, may plant an otherwise unrestricted acreage of corn and still be entitled to any Government benefits which they otherwise would get. Similarly, wheat acreage restrictions are removed but to qualify for agricultural conservation payments growers must plant 90 percent of war-crop goals. Cotton acreage allotments may be overplanted by 10 percent without loss of Government payments or loan privileges. This would permit plantings of 30 million acres of cotton compared with 23.3 million in 1942 -- an increase of 29 percent. Cottonseed is an important source of edible oil and of protein feed. Corn is the principal feed used in fattening meat animals, and wheat, although used chiefly as a bread grain, can be substituted for feed grains when the latter are not in ample supply.

In encouraging farmers to produce to the limit of their abilities the Department will support prices by means of various programs. Furthermore, the Office of Price Administration's price ceilings, which have been set mostly at wholesale and retail levels, will permit prices generally to average well above these support levels. The Department also stands ready to aid farmers with their labor and machinery problems. To deal with the labor situation, formation of an Agricultural Labor Administration in the Department of Agriculture was announced March 1 by Secretary Wickard. About twice as much new machinery as originally planned for 1943 is to be made available to farmers as well as more parts for keeping existing machines in repair.

-- March 17, 1943

COTTON

Mill consumption of cotton totaled 6.5 million running bales during the first 7 months of the current season. This compares with 6.3 million bales during the corresponding period last season -- an increase of 4 percent. The continuation of consumption at the same daily rate as in February, or at the average daily rate for the 7 months (August-February), would give a total consumption of about 11.3 million bales this season, including nearly 200,000 bales of foreign-grown cotton. Total domestic disappearance (consumption, exports, and loss) of American cotton is expected to be about 12.4 million bales, leaving a carry-over on August 1, 1943 of about 10.7 million bales -- compared with 10.5 million a year earlier.

Although the raw cotton supply situation is about as favorable as that of any major agricultural product, it is nevertheless important that the supply of cotton should match demand from the standpoint of particular grades and staple lengths. In view of the wartime demand for high-quality cotton, an effort is being made to provide an adequate supply of all important qualities. Farmers are being urged to shift, where practicable, to varieties having longer staple lengths than those heretofore grown. Farmers are also being asked to obtain as high a proportion as possible of high-grade cotton. Otherwise mills may be forced to shift to lower quality cotton than they are now using.

The recent announcement by the Secretary permitting farmers to exceed their 1943 cotton acreage allotments by 10 percent without penalty was primarily designed to increase the production of cottonseed oil and meal. However, any increased production of lint resulting therefrom may improve the cotton supply situation if it is of suitable grade and staple length.

Spot market prices of cotton have continued to forge ahead during the past month, holding above 21 cents most of the time during recent weeks.

WHEAT

Wheat prices on March 16 generally were up fractionally to 2 cents compared with a month earlier. Buying was stimulated by legislative consideration providing for price ceilings at full parity and in early March were several cents above present levels. Prices of soft red winter wheat, the supply of which is about exhausted, have been above the parity equivalent at terminal markets. However, the continuation of relatively heavy marketings, which is probable as the result of prices which are attractive to growers with wheat under loan as well as holders of free wheat, would be expected to restrict advances of other types of wheat. In order to relieve the squeeze in the millers' margin brought about by advancing soft red wheat prices and the flour price ceiling, the price ceiling on this type of flour has recently been raised from what amounted to a wheat price equivalent of 92 percent of the February 15 parity to 100 percent. The flour ceilings on other types of wheat remain unchanged, the wheat price equivalents of which are about 86 percent of the February 15 parity. Compared with the calculated wheat price equivalents of the flour ceilings, on March 16 prices at Kansas City (hard red winter) were 3 cents above, at Minneapolis (hard red spring) 1 cent below, and at Portland (soft white) 4 cents below.

In a move to better insure food and feed supplies, the Secretary of Agriculture on February 23 (1) announced that wheat farmers who in 1943 meet 90 percent of their farm war-crops goals will be eligible for Agricultural Adjustment Agency wheat payments and wheat loans even though they exceed their wheat allotments, and (2) suspended wheat marketing quotas for the 1942-43 and 1943-44 marketing years. Total disappearance of wheat for the year ending June 30, 1943 is expected to be more than 900 million bushels, which compares with the 1930-39 average of 753 million bushels. The disappearance in 1943-44 moreover, is expected to be much larger than in 1942-43.

FATS, OILS, AND OILSEEDS

Consumer rationing of food fats and oils has been authorized by the Secretary of Agriculture and will begin March 29. Butter, margarine, lard, shortening, and cooking and salad oils are to be obtained by consumers under point rationing along with meats and cheese. Use of food fats by commercial bakers and other manufacturers of food products also will be rationed. The total allocation of food fats is equivalent to 33 pounds per capita for the 9-month period, April-December 1943, or 44 pounds per capita on annual basis. Because consumption was at a higher rate in the first quarter of 1943, actual use this year is expected to total about 46 pounds per capita. This would compare with an average of about 50 pounds in the past 3 years and 48 pounds in the 5 years, 1935-39. These figures are on the basis of fat content except for butter, which is on actual weight basis.

Corn, cottonseed, peanut, and soybean oils will be placed under direct allocation to refiners and manufacturers by the Food Distribution Administration beginning April 16. Purpose of this action is to assure equitable distribution of the available supply of these primary oils to manufacturers. Factory working stocks are now at about a minimum level, and any further decline in these stocks would create a serious supply situation for many manufacturers unless the stocks were well distributed.

Production of fats and oils from domestic materials set a new high record of 10 billion pounds in 1942 compared with 9.4 billion pounds in 1941. Output from domestic materials probably will exceed 11 billion pounds in 1943. Domestic disappearance of all primary fats and oils, including imported oils, totaled about 10.5 billion pounds in 1942.

Flaxseed prices advanced rapidly in February and early March, continuing the rise begun in December. In early March prices apparently were above parity. Receipts at terminal markets were relatively light in February, and a strong demand from crushers was supplemented by bids from seed dealers. Prices of linseed oil advanced from December to March. Prices of most other fats and oils remain at ceiling levels.

CORN AND OTHER FEED

Cash and future corn prices advanced 2 to 8 cents per bushel during the past month, reflecting the strong demand for corn in all sections of the country. Cash prices reached temporary ceiling levels at most markets early in March. Permanent price ceilings on corn became effective March 12 at every stage of distribution at approximately the same level as the temporary ceiling.

Prices of oats and barley advanced 2 to 4 cents per bushel from the middle of February to the middle of March. Prices of wheat millfeeds advanced to the maximum levels at Kansas City and Minneapolis, reflecting a stronger demand following termination of Government sales of feed wheat. Prices of most of the high-protein feeds continue at ceiling levels with production inadequate for the strong demand.

The demand for all kinds of feed will continue stronger in 1943 than in 1942. Livestock numbers (grain-consuming units) on January 1 were 11 percent greater than a year earlier and further increases are expected in the number of hogs and poultry during 1943. Livestock prices have advanced about 25 percent during the past year. Supplies of feed grains, if properly distributed, will be sufficient to meet livestock requirements for the country as a whole during the greater part of 1943. In the latter part of 1943 and in 1944, the adequacy of feed supplies will depend on the 1943 growing season and the extent to which supplies of wheat are made available for feeding.

With feed prices low in relation to livestock prices in the Corn Belt and with livestock production increasing in this area, present indications are that less grain will be available for shipment to other areas in 1943-44. Therefore, it is desirable for farmers in other sections, especially in the northeast and in the south, to grow as much of their 1943-44 feed requirements as possible.

LIVESTOCK AND MEATS

Marketings of livestock for slaughter in regular commercial establishments in recent weeks have been running substantially less than a year earlier and smaller than anticipated marketings based upon the record large 1942 production of live animals. Although it is impossible to determine exactly how much livestock has been diverted to black market outlets, the amount of meat deducted from the inspected supply by this slaughter has been fairly large, and Government procurement agencies have had difficulty in meeting war requirements.

In order to secure the necessary control over the meat supply so that adequate amounts of meat may be obtained for direct war needs and so that civilian supplies may be equitably distributed, several steps have been taken recently by the Department of Agriculture. These include:

- (1) Effective April 1, all livestock dealers will be required to obtain permits to buy and sell livestock, and must keep complete records of their operations.

- (2) Also effective April 1, all livestock slaughterers who deliver meat to others (this excludes farm slaughter for home use) must obtain slaughter permits and must stamp their permit number upon each wholesale cut of meat delivered.

- (3) Effective March 5, slaughterers operating under Federal inspection are required to set aside for war uses designated percentages of their production, these proportions to be determined from time to time in accordance with requirements and supply conditions.

In addition to these steps taken by the Department of Agriculture, the Office of Price Administration has begun a vigorous enforcement campaign of supply and price control measures already in effect. Specific dollars-and-cents ceiling prices for pork, effective April 1, have been announced, and will be extended to other meats as soon as possible. Formal rationing of meat by the Office of Price Administration will begin March 29.

Prices of nearly all livestock advanced to new high levels in February and March, reflecting seasonally reduced marketings and continued strong civilian and war demands for meat. In early March the top price for hogs at Chicago advanced to \$16.00 per 100 pounds, the highest level reached in 22 years; and Choice steers reached \$17.40, the highest price since 1937.

Cash income received by farmers for meat animals in 1942 totaled 4.9 billion dollars, 1.6 billion dollars more than in 1941, and nearly 1 billion dollars more than the record 1918 cash income. Much of the increase over 1941 was due to the materially higher level of prices received by farmers, but increased sales of livestock also contributed to the larger income in 1942 than a year earlier.

WOOL

The number of sheep on farms and ranches at the beginning of 1943 was 3 percent smaller than a year earlier, and wool production this year may total slightly less than the record 1942 production of 460 million pounds (greasy shorn and pulled basis). Contracting of the 1943 clip has begun in Texas and several other western States. The average price received by producers for their 1942 wool clip was 40.1 cents per pound, 4.6 cents higher than in 1941, and the highest price since 1920. Cash income from wool in 1942 totaled 157 million dollars, compared with 139 million dollars in 1941. It was the largest income from wool in any year of record.

Mill consumption quotas for civilian fabrics during the period February 1 to July 31, 1943 were increased considerably by an amendment to the Wool Conservation Order M-73 on February 19. This amendment doubled the amount of wool that can be used in civilian fabrics by the woolen section and increased the amount by one-half for the worsted section over the amount previously allotted. According to the War Production Board, these increases in civilian wool quotas will amount to about 75 million pounds (grease basis). Since early 1942, consumption of wool for civilian use has been limited to specific percentages of total mill consumption in the first half of 1941.

Stocks of apparel and carpet wool held by dealers and manufacturers in the United States at the end of 1942 totaled 464 million pounds (greasy shorn and pulled basis), compared with 346 million pounds a year earlier. The totals for the 2 years are not strictly comparable because of an increase in the number of firms reporting in 1942.

DAIRY PRODUCTS

Cheese stocks have been declining more rapidly than usual during recent months largely because of an increasing civilian consumption due to the

limited meat supply, a greater than usual decline in cheese production, and substantial lend-lease shipments. Cheese production is now increasing by somewhat more than the usual seasonal amount, and the relatively large out-of-storage movement for cheese in recent weeks may be checked by cheese rationing which becomes effective March 29. During the past 6 months, manufacturers' stocks of evaporated milk have been decreasing by more than the usual seasonal amount. During January, however, they increased contraseasonally by 14 percent, indicating that current production, plus stocks recently released by the Department, is more than sufficient to satisfy current demands. Supplies of butter and dried milk for civilian consumption continue materially below demand. Butter rationing also goes into effect March 29.

Prices of all dairy products continue at ceiling levels. Recent increases in price quotations for butter reflect a shift, due to revised price ceilings effective February 16, in sales of bulk butter from chain stores and jobbers to individual users, such as institutions, bakers, hotels, etc., or to individual retail stores, and do not necessarily indicate higher prices for the same type of transaction.

The number of milk cows on farms, totaling 26,946,000 head on January 1, 1943, was 2 percent above a year earlier and slightly above the previous January 1 peak reached in 1934. Although the number of cows and heifers eliminated from herds during 1942 was the largest since the drought years, 1934-36, sufficient 1 to 2 year old heifers were on hand at the beginning of 1942 to bring about the increase in cow numbers.

POULTRY AND EGGS

More than a half billion chickens were on farms in the United States on January 1, exclusive of numbers on specialized farms housing broilers and fryers. The demand for baby chicks this spring will be unusually strong in all areas, and farmers are likely to raise from 10 to 15 percent more chickens on farms this year than were raised in 1942. These indicated increases are in line with the expansion needed to reach the suggested chicken goal.

Supplies of chicken for consumption will be materially larger this year than last with most of the increase showing up in the second six months. Supplies will be at a seasonally low level for the next few months. In early March, prices of all classes of poultry were at ceiling levels with demand at most markets considerably exceeding supplies. Unusually heavy withdrawals of poultry from storage have continued and stocks (at 35 markets) are 45 percent below last year and somewhat below average.

Egg production is responding to the favorable relationship between feed prices and egg prices. During February there were 15 percent more layers on farms and the rate of production per bird averaged .3 percent higher, resulting in a total output of 19 percent more eggs than in February last year. Much of the increased supplies this year apparently went into current consumption. Dried egg production has been only slightly larger than a year earlier and the quantities of eggs stored and used for hatching in January and February were a little larger than last year. Consumers are taking larger

supplies of eggs at prices 20 to 25 percent higher than last year. The demand for eggs, no doubt, will increase much further with the institution of meat rationing. Egg production will reach the seasonal peak in April but if drying operations increase to near-capacity and the necessary quantities are stored for drying later in the year, supplies for consumers will be little different from a year earlier and probably short of the demand at ceiling prices.

On March 6, Maximum Price Regulation 333 went into effect establishing maximum prices that can be charged retailers for eggs graded according to the new Consumer Grade specifications. It does not directly control prices at the farm level. The cents-per-dozen ceiling for eggs varies seasonally, increasing from the March-May low to a November peak. The maximum levels were about the same as the current levels. Wholesale prices of eggs, of customary grades, advanced slightly during the first half of March and in the middle of that month were slightly higher than in mid-February.

FRESH VEGETABLES

Fresh vegetable prices generally continue at the highest levels existing for more than a decade. There was a sharp rise in the price of most fresh vegetables following the rather severe mid-February frost, and rationing of canned goods. In an effort to protect consumers from this rapid price rise, the Office of Price Administration established maximum prices for snap beans, tomatoes, cabbage, carrots, and green peas at the highest price during the 5-day period, February 18-22; and on February 25 maximum prices were established for lettuce and spinach at the highest price charged during the 5-day period, February 20-24. These orders are temporary and will be replaced by permanent orders within 60 days. Carrot, lettuce, and tomato prices for the first week in March were somewhat below the apparent ceiling levels, while other fresh vegetables, subject to price control, were selling at ceiling levels.

Supplies of major fresh vegetables will be relatively short during the next 5 or 6 weeks. Frosts in January and February and early March caused considerable damage in the winter-vegetable areas. Frost damage has been severe on peas, snap beans, cabbage, lima beans, eggplant, tomatoes, and peppers; and plantings of many of these crops were already smaller than last season. When reports on frost damage are complete, total vegetable acreage harvested so far this season or now being harvested may be about 12 to 14 percent smaller than for the same period a year ago.

Since rationing of processed vegetables probably will stimulate further the greatly increased demand for fresh vegetables, relatively short supplies of some vegetables during the next month may prevent prices from dropping below ceiling levels.

The 1943 intended acreage of green peas for processing is 506,000 acres, which is 5 percent greater than the relatively large 1942 planted acreage. Most of this increase is expected in the North Central and Western States. Reports on spinach for processing indicate that acreage in Texas and California may be reduced almost one-fourth. With expected yields lower than last year, the production in 1943 may be only two-thirds that of last year.

POTATOES

The wholesale price of U. S. No. 1 potatoes on the New York market increased steadily during January, February, and the first week in March. Seasonally higher prices at the f.o.b. level came into effect each month during this period and selling prices were at the ceiling levels. The rapid depletion of potato stocks has been holding prices at the ceilings. There is some evidence that relatively large quantities of "seed potatoes" have been sold on the terminal markets recently. Seed potatoes, labeled as such at the country shipping point, have been exempt from the maximum price regulation.

Early-crop potatoes in Florida were damaged considerably by frosts during February. Most of the acreage in the State has now been damaged by at least one of the frosts. The extent of the damage cannot be determined, but harvesting will be delayed and yields may be reduced. Prospects are good for the early Texas crop where harvesting is expected to begin in the early part of April.

SWEETPOTATOES

Wholesale prices of sweetpotatoes on the New York and Chicago markets have increased rapidly since mid-January. During this period the average wholesale price of all varieties on the New York market increased from \$2.00 per bushel to over \$3.50 for the second week in March. This advance in prices is in part a seasonal rise and may be expected to continue.

Total carlot shipments this season through March 6 were 16 percent greater than last year for the same period. Shipments during February were about the same as last year.

FRUITS

Prices of most fresh fruits continue far above the levels of a year ago and total carlot shipments have decreased from the peak movement of mid-February.

The California orange crop was estimated on March 1 at 42 million boxes; the Florida crop was 36.5 million boxes. The total orange and tangerine crop is expected to be about 2 percent smaller than that produced last season. City auction prices of Florida oranges advanced sharply during February, while California orange prices remained steady to firm. All sales were made at or near the established ceiling prices. Equivalent on-tree returns on February 15 averaged \$1.63 per box -- 89 percent of the "comparable price" and 92 cents higher than on February 15 a year ago.

In February the average on-tree return to grapefruit growers was 87 cents per box, 106 percent of the "comparable price" and almost double that of the same period in 1942. During late February and early March, New York auction prices of Texas grapefruit and Chicago prices of Florida grapefruit declined. In the same period New York prices of Florida grapefruit advanced sharply and recently were close to the ceiling level. Prospective supplies of Florida grapefruit have increased since early December, and the total crop

(46.7 million boxes) from all producing States is expected to exceed all previous records. The 1942-43 pack of canned grapefruit segments will be small because of tin restrictions, but the pack of grapefruit juice (according to reports to date) may be fully twice that of last season. Through Government order, stocks of grapefruit juice have been "frozen" for the first 3 months of 1943 to encourage consumers' use of fresh fruit.

March 1 cold-storage stocks of apples were considerably larger than those of a year earlier and carlot shipments to date likewise have been heavier, thus reflecting the larger production of apples in 1942. Market prices of most varieties have continued to advance since January. The terminal-market price level for apples recently was about 50 percent above that of early 1942. In February the United States average farm price was \$1.71 per bushel -- about 40 percent higher than the price a year earlier and 111 percent of parity for that month.

March 1 cold-storage stocks of frozen fruits (145,022,000 pounds) were 2 percent larger than those of the same date in 1942 and 110 percent above the 1930-39 average for that month. It is likely that more fruits than usual will be frozen this year and the demand will continue good.

ECONOMIC TRENDS AFFECTING AGRICULTURE

INDEX NUMBERS: INDICATED BASE PERIOD = 100

YEAR AND MONTH	INDUS- TRIAL PRO- DUCTION ¹	FACTORY EMPLOY- MENT ²	FACTORY PAY ROLLS ²	INCOME OF IN- DUSTRIAL WORKERS ³	CASH INCOME FROM FARM MAR- KETINGS ⁴	WHOLE- SALE PRICES OF ALL COMMOD- ITIES ⁵	RETAIL FOOD PRICES ⁶	COST OF LIVING URBAN ⁷	PRICES RECEIVED BY FARMERS ⁸	PRICES PAID BY FARMERS ⁹	PRICES PAID BY FARMERS, INTEREST AND TAXES ⁹	RATIO OF PRICES RE- CEIVED TO PRICES PAID INCL. INTEREST & TAXES
Base period	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1910-14	1910-14	1910-14	1910-14
1929	110	108	127	134	142	118	133	122	146	154	167	87
1930	91	94	103	110	113	107	126	119	126	146	160	79
1931	75	80	78	85	80	91	104	109	87	126	140	62
1932	58	68	54	59	59	80	86	98	65	108	122	53
1933	69	75	58	61	67	82	84	92	70	108	118	59
1934	75	88	74	77	79	93	94	96	90	122	128	70
1935	87	93	86	87	89	99	100	98	108	125	130	83
1936	103	101	99	100	105	100	101	99	114	124	128	89
1937	113	111	118	117	111	107	105	103	121	131	134	90
1938	89	93	91	91	96	98	98	101	95	123	127	75
1939	108	102	106	105	99	96	95	99	93	121	125	74
1940	123	110	122	119	105	98	97	100	98	122	126	78
1941	156	135	178	166	141	108	105	105	122	131	134	91
1942	181	155	258	232	188	123	124	116	157	152	152	103
1942- Feb.	172	147	215	202	180	120	117	113	145	147	147	99
Mar.	171	148	222	203	175	121	119	114	146	150	150	97
Apr.	173	150	231	212	191	122	120	115	150	151	151	99
May	174	152	241	219	188	123	122	116	152	152	152	100
June	176	154	249	226	192	122	123	116	151	152	152	99
July	178	156	267	240	192	122	125	117	154	152	152	101
Aug.	183	158	272	244	204	123	126	118	163	153	152	107
Sept.	186	160	278	247	208	124	127	118	163	154	153	107
Oct.	191	162	284	250	211	124	130	119	169	155	154	110
Nov.	194	164	301	265	224	124	131	120	169	156	155	109
Dec.	197	168	309	272	226	125	133	120	178	158	156	114
1943- Jan. ¹⁰	200	171	--	--	226	126	133	121	182	160	158	115
Feb. ¹⁰	--	--	--	--	--	127	134	121	178	162	160	111

¹Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.²Based on Bureau of Labor Statistics data, adjusted for seasonal variation (employment adjusted by Federal Reserve and pay rolls by Bureau of Agricultural Economics). 1941 to date revised March 1943.³Adjusted for seasonal variation. Includes factory, railroad, and mining employees. Revised January 1943. To convert to 1924-29 base, multiply by 78.0744 percent.⁴Adjusted for seasonal variation. Revised from January 1935 to date and placed on a 1935-39 base.⁵Bureau of Labor Statistics, 1926 = 100 converted to 1935-39 = 100 by multiplying by 124.069 percent.⁶Bureau of Labor Statistics.⁷Bureau of Labor Statistics. Index numbers of cost of goods purchased by wage earners and low-salaried workers in large cities.⁸August 1909-July 1914 = 100.⁹Annual figures are straight averages of 12 monthly indexes, 1923-41.¹⁰Preliminary.

Note: In comparing trends between industrial production and industrial workers' income, as indicated by the above index numbers, notice should be taken of the fact that income of railway workers, as well as incomes of mining and factory workers, is included in the index of industrial workers' income, whereas the industrial production index is based on mining and manufacturing only. Similar precautions are necessary in comparing trends between industrial production and factory employment and pay rolls. Another consideration of importance is that the production index is based on volume, whereas the income indexes are affected by changes in wage rates as well as by time worked. In comparing monthly indexes it is important to keep in mind the fact that there is usually a time lag between changes in volume of production and similar changes in employment and in workers' income.

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